

## Message Text

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ORIGIN OPIC-06

INFO OCT-01 AF-10 ARA-14 ISO-00 EB-07 AID-05 TRSE-00  
OMB-01 COME-00 CIAE-00 INR-07 NSAE-00 L-03 /054 R

DRAFTED BY OPIC/ID/DVP:FMCLJOHNSTON:JC

APPROVED BY EB/IFD/OIA:RJSMITH

EB/IFD/OIA:DVGRANT

ARA/AND:AFULLER (INFO)

ARA/CEN:DJOHNSON (INFO)

ARA/CAR:JTHYDEN (INFO)

AF/E:PSMITH(INFO)

-----014028 010328Z /61

R 302045Z JUN 77

FM SECSTATE WASHDC

TO AMEMBASSY KINGSTON

AMEMBASSY LILONGWE

AMEMBASSY MANAGUA

AMCONSUL MARTINIQUE

AMEMBASSY QUITO

UNCLAS STATE 152849

FROM OPIC

E.O. 11652: N/A

TAGS: EINV

SUBJ: POLITICAL RISK CONVERTIBILITY INSURANCE (OPIC)

REFS: (A) STATE A-1080 (MAR 4, 77), (B) STATE 135115

1. PART OF OPIC'S POLITICAL RISK INSURANCE FOR AMERICAN

INVESTORS IS INSURANCE AGAINST A DETERIORATION OF EXISTING  
CURRENCY CONVERTIBILITY RIGHTS. IN COUNTRIES WHERE AT THE  
TIME OF EXECUTION OF THE INSURANCE CONTRACT OPIC KNOWS OF  
NO SIGNIFICANT DELAY BY EXCHANGE AUTHORITIES IN APPROVING  
TRANSFERS OF LOCAL CURRENCY TO U. S. DOLLARS, THE OPIC

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STANDARD CONTRACT OF INSURANCE WILL PERMIT THE INVESTOR TO  
MAKE AN INCONVERTIBILITY CLAIM AGAINST OPIC IF A REQUEST FOR  
TRANSFER BY AN INSURED INVESTOR IS NOT HONORED WITHIN  
EITHER THIRTY DAYS, IF A RESULT OF ACTIVE BLOCKAGE, OR  
SIXTY DAYS, IF A RESULT OF PASSIVE BLOCKAGE. WHERE DELAYS  
IN TRANSFER AT THE TIME OF THE EXECUTION OF THE INSURANCE  
CONTRACT ARE KNOWN TO OPIC, OPIC'S CONTRACT MAY INCLUDE

SPECIAL LANGUAGE TO DEFINE THE WAITING PERIOD.

2. IT IS IMPORTANT THAT OPIC HAVE ACCURATE AND CURRENT INFORMATION ON PREVAILING LOCAL POLICIES, PROCEDURES AND/OR PRACTICES WHICH CAUSE OR MAY CAUSE DELAYS IN CURRENCY TRANSFERS. SUCH POLICIES, PRACTICES, AND/OR PROCEDURES MIGHT BE OF GENERAL APPLICATION OR OF SPECIAL APPLICATION TO LOANS, DIVIDENDS, ROYALTIES OR TO CERTAIN INDUSTRIES, INVESTORS,

OR COMMODITIES. ORDINARILY, OPIC HAS ACCESS TO PERTINENT LOCAL LAWS AND REGULATIONS IN IMF OR OTHER PUBLICATIONS. VERY RECENTLY ENACTED LAWS AND/OR REGULATIONS OR NEW LEGISLATION UNDER CONSIDERATION SHOULD ALSO BE REPORTED, HOWEVER.

3. IT IS REQUESTED THAT ADDRESSEE POSTS INFORM OPIC ASAP OF THE CONVERSION PERIOD OR PERIODS CURRENTLY IN EFFECT. IF DELAYS OVER THIRTY DAYS ARE RECURRENT, PLEASE DESCRIBE THE REASONS FOR SUCH DELAYS.

4. IN OBTAINING THIS INFORMATION IT IS IMPORTANT TO GO BEYOND OFFICIAL BANK AND GOVERNMENT SOURCES TO THE ACTUAL EXPERIENCE OF AMERICAN INVESTORS SINCE THERE MAY BE A VARIANCE OF INFORMATION.

5. IN THE EVENT ANY SIGNIFICANT CHANGE OCCURS IN CONVERSION  
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PRACTICES, IT IS REQUESTED THAT OPIC BE NOTIFIED.

6. ADDITIONALLY, COMMENTS OF THE OIL IMPORTING ADDRESSEE POSTS ARE INVITED REGARDING THE POSSIBLE IMPACT ON TRANSFERS OF PROJECTED SUBSTANTIAL INCREASES IN THE FOREIGN EXCHANGE COSTS OF ENERGY.

7. ALTHOUGH OPIC PROGRAMS MAY NOT BE CURRENTLY AVAILABLE AT ALL OF THE ADDRESSEE POSTS, THE INFORMATION REQUESTED IS NEEDED FOR GENERAL BACKGROUND DATA.

8. MOST OF ADDRESSEES HAVE BEEN REPORTING CONVERTIBILITY INFORMATION ON AN ANNUAL BASIS. IF THERE HAS BEEN NO CHANGE SINCE YOUR LAST REPORT, A ONE-LINE CABLE SAYING SO IS ALL THAT IS EXPECTED.

KINGSTON: PLEASE RESEND RESPONSE. VANCE

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INSURANCE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 30-Jun-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition Event:**  
**Disposition History:** n/a  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** FMCLJOHNSTON:JC  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770234-0990  
**Format:** TEL  
**From:** STATE  
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**Litigation Code IDs:**  
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**Litigation History:**  
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**Message ID:** 6c410477-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN OPIC  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE A-1080, 77 STATE 135115  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 08-Nov-2004 12:00:00 am  
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**Review Exemptions:** n/a  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2035179  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POLITICAL RISK CONVERTIBILITY INSURANCE (OPIC)  
**TAGS:** EINV, JM, OPIC  
**To:** KINGSTON LILONGWE MULTIPLE  
**Type:** TE  
**vdkvgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/6c410477-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009